



U. S. Department of Justice

Antitrust Division

Judiciary Center Building
555 Fourth Street, NW
Washington, DC 20001
April 8, 1994

Honorable Alan Greenspan
Chairman
Board Of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Chairman Greenspan:

This is in response to your letter of December 7, 1993, enclosing a copy of an application by Marshall & Ilsley Corporation, Milwaukee, Wisconsin, ("M&I") for prior approval to acquire 100 percent of Valley Bancorporation, Green Bay, Wisconsin ("Valley"), pursuant to Sections 3 and 4 of the Bank Holding Company Act. We understand that M&I has committed to the Board that it will divest certain offices, including those listed on the attachment, that it will reach sales agreements for such offices with competitively suitable purchasers before consummating its acquisition of Valley, and will complete the divestitures within 180 days of consummating the Valley acquisition. M&I further commits to turn the divestitures over to an independent trustee if its efforts to divest are unsuccessful.

We have reviewed this proposed acquisition, together with the divestiture commitment, and conclude that it would not have a significantly adverse effect upon competition if the divestitures are made as proposed.^{1/} However, M&I has not reached an agreement to sell any of the offices as of the date when the Board is scheduled to decide the application. M&I has identified to us a number of prospective purchasers of offices to be divested, and we have expressed to them our views concerning their competitive suitability. M&I desires to keep the identity of bidders confidential while the bidding process continues. Hence, we cannot specify herein any prospective purchaser as competitively suitable, as we usually do.

While M&I's divestiture commitment is satisfactory, the procedure they propose opens the possibility that we would have to file suit under the antitrust laws in order to preserve our rights. This is because M&I could fail to reach agreements to sell the offices to competitively suitable purchasers within the thirty-day period following the Board's approval, which is the window allowed for the filing of an antitrust suit. While M&I, we understand,

¹ The conclusion set forth in this letter is based upon the representations made in this application and such other facts as are presently available. The letter is not intended, and should not be relied upon, as a precedent or policy of the Department.

plans to reach agreements before the period would expire, we wish to note this possibility so they may take it into account.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard L. Rosen", with a long horizontal flourish extending to the right.

Richard L. Rosen
Chief
Communications & Finance Section

Attachment:

M&I-Valley Proposed Divestitures

Offer Includes Deposits and Loans except as Noted

Bank	Office	Street	City
M&I Bank of Mayville	Knowles Branch	Highway Y	Knowles
M&I Madison Bank	Northport Division Branch	2001 Londonderry Drive	Madison
M&I Madison Bank	Middleton Branch	6300 University Avenue	Middleton
M&I New Holstein Bank	Marytown branch	Route 2	Marytown
M&I Western State Bank	Main Office	444 North Sawyer Street	Oshkosh
Valley Bank	Orchid Heights Branch	5310 Century Avenue	Middleton
Valley Bank	Verona Road Branch	4629 Verona Road	Madison
Valley Bank	Main Office, <i>Leasehold only</i>	222 West Washington Avenue	Madison
Valley Bank East Central	Fremont Street Branch	601 Fremont Street	Kiel
Valley First National Bank	Main Office	8 West Davenport Street	Rhineland
Valley First National Bank	Drive-in	10 North Stevens Street	Rhineland
Valley Bank		505 Main Street	Brownsville